

Medequip for Trading and Contracting

Medequip's two main business activities are the sales of medical equipment and the construction of medical facilities. The company is today considered to be the largest supplier of medical equipment and contractor of turnkey medical facilities in the Middle East. (Turnkey means the complete construction, supplying and equipping of a facility.)

Medequip is currently the exclusive distributor in Egypt for 10 leading international manufacturers of medical equipment. It enjoys the highest market share in Egypt for each equipment type produced by the manufacturers it represents.

The major companies with whom Medequip has distribution arrangements are as follows:

Hewlett-Packard Company	USA
Draeger Medizintechnik	Germany
Olympus Optical Company	Japan
Dornier Medical	Germany
Oldelft	The Netherlands
Enraf Norius	The Netherlands
Subtil Crepieux	France
Alvar Electronics	France
ALM - Angenieux	France
B. Braun	Germany

In addition, Medequip was the first company in Egypt to offer leasing / financing options for its customers. Approximately 35% of its sales are financed through leasing arrangements.

Traditionally, Medequip's role was the supply and service of medical equipment with small scale installations for the equipment sold. However, by the late 1980's it was winning contracts for equipment turnkey bids for hospital departments and in 1990, the first complete equipment turnkey project – the Abou El Rish Hospital – was undertaken.

Medequip has executed more than 40 hospitals, 20 clinics and 35 medical centres on a turnkey basis, primarily in Egypt and the Middle East. Its estimated market share in turnkey projects in Egypt in 1998 was over 70%.

Just three examples of hospital projects executed by Medequip are detailed below:

* El Fayoum Hospital – a 300 bed general hospital on a construction turnkey basis for the Health Insurance Organisation. The contract value was E£32 million.

* 6th of October University Hospital – the first privately financed university and university hospital in Egypt. The 320 bed facility contract was valued at E£83 million.

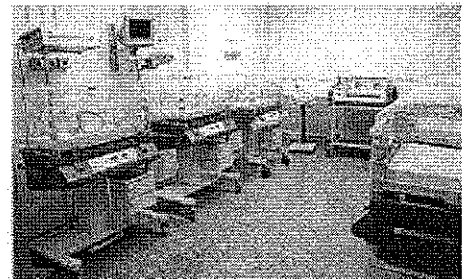
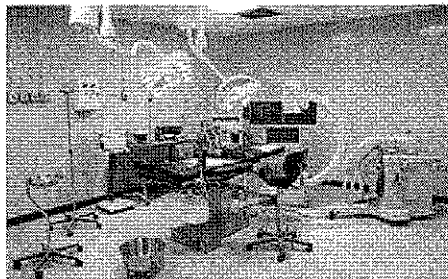
* Dar Al Fouad – an 80 bed specialist hospital for cardiovascular disease, affiliated with the Cleveland Clinic in the USA. Medequip was the only Egyptian company pre-qualified and was awarded the contract valued at E£36 million.

The expertise gained by Medequip through the construction services in turnkey hospitals, has enabled it to diversify away from its primary focus and traditional customer base into other 'utility building' contracts, such as hotels and other commercial projects.

The Government of Egypt has rated Medequip's contracting division as an 'A' class contractor, enabling it to participate for the entire range of Government construction projects in Egypt. Only a handful of construction companies in Egypt have this level of rating.



Above El Fayoum General Hospital.
Left Operating room, Luxor Hospital.
Right Pediatric Intensive Care Unit,
Sharm El Sheikh Hospital.



Trading Medical System Egypt

The principal business activity of Trading Medical System Egypt ('T.M.S.E.') is the exclusive marketing, importation, sales and service of medical imaging equipment supplied by Toshiba Medical Systems-Japan.

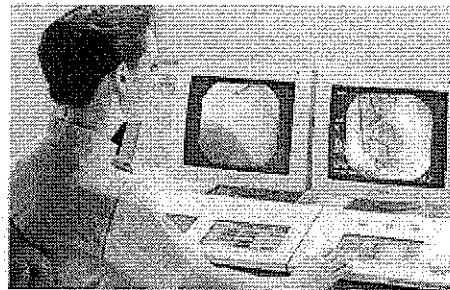
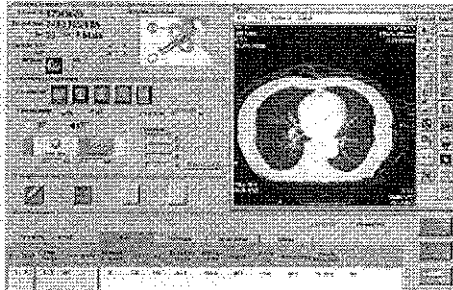
Sole Toshiba Medical Systems distributorship in Egypt was obtained in the mid 1980's with the initial strategy being to focus on the ultrasound market. There followed diversification into Computer Tomography (CT); X-ray; Angiography; Magnetic Resonance Imaging (MRI); and Nuclear Medicine Systems, as the need for upgrading of healthcare systems grew, Lakah Group provided hospitals with diagnostic equipment.

In the period between 1987-1998, the market share of Toshiba Medical Systems products in the Egyptian medical imaging equipment segment, increased from 1% to 42%. Toshiba Medical Systems is the clear market leader in the Egyptian imaging market and is the number 3 global supplier – behind General Electric and Siemens.

As a result of its successful operations in Egypt, TMSE's exclusive distribution rights for imaging equipment have been extended throughout the Middle East, North and West Africa. This expanded distribution territory provides a hedge against any possible market downturn in Egypt, as well as allowing the company to dilute its operating costs.

TMSE offers specialised technical sales support, customer training and service and maintenance to meet customer needs, both in Egypt and throughout its distribution territory. The company offers complete service contracts and warranty service using local engineers who have been trained in Egypt, Europe, USA and Japan. In addition, TMSE invests heavily in clinical support, assisting both the physicians and operators to derive the optimal use from their imaging equipment.

Going forward, TMSE will continue to focus on Toshiba Medical Systems' products, whose R&D leadership will open new markets in CT, MRI and interventional applications. Expansion and growth opportunities will come from the newer markets of the Middle East, North and West Africa and from entering the field of Tele-medicine and imaging networks.



Left Simple and easy to navigate
computerized imaging data.
Right Diagnostic procedures,
enhancement of images.
Below Open MRI technology
developed by Toshiba.



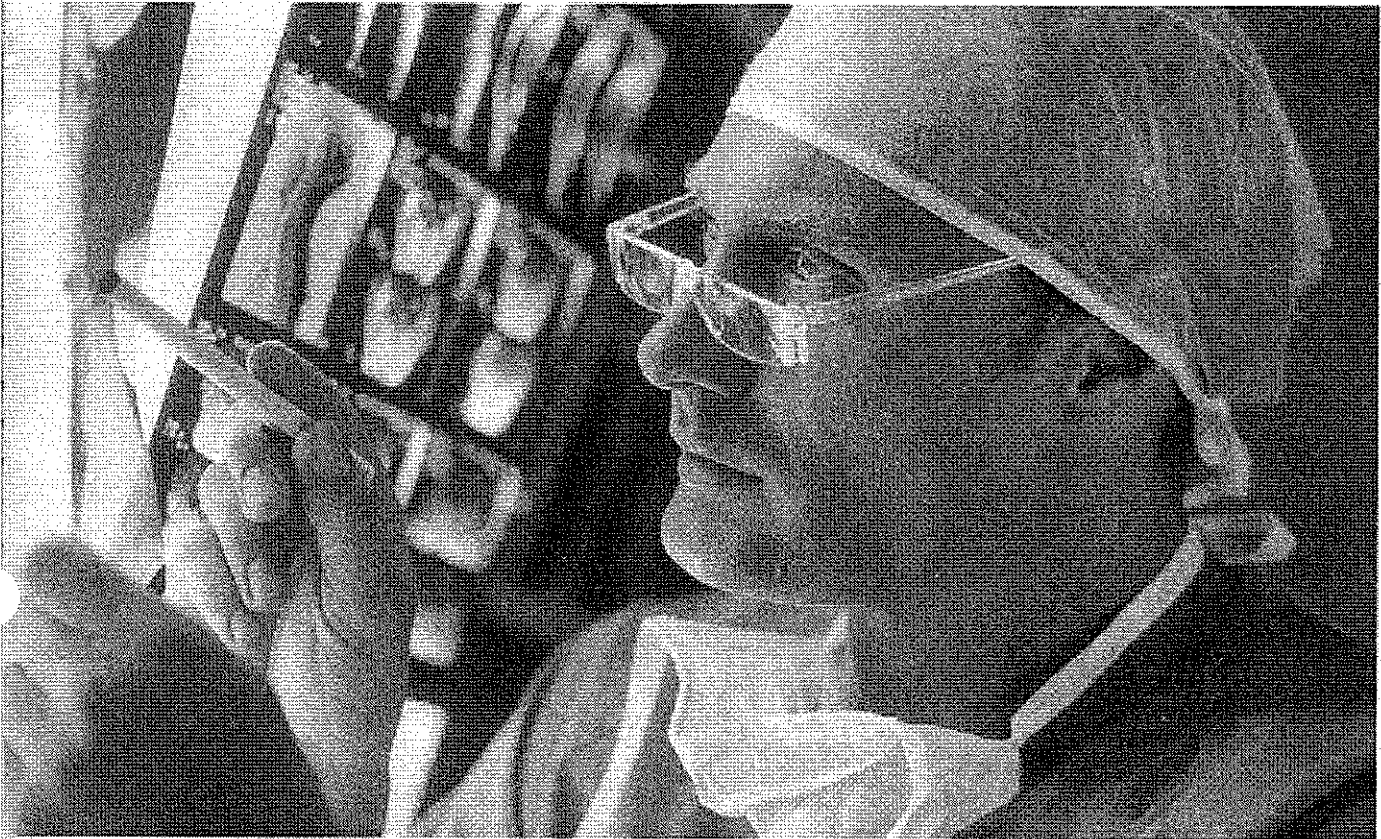
Medical Centers Management Company

Medical Centers Management Company's ("MCMC") main activities comprise the operation and management of its own and clients' medical facilities and the development of specialised medical facilities.

MCMC identified an opportunity to provide a service to the medical providers responsible for healthcare, by assisting with the provision of sophisticated medical equipment and the construction of medical centres. As an example, MCMC currently operates 12 computer tomography ("CT") scanning centres located throughout Egypt for various governmental entities.

Additionally, MCMC recognised that the same service could be extended to private sector doctors and healthcare providers. Last year MCMC commenced a project to provide complete management services for a speciality hospital - El Korba Hospital Centre - located in Heliopolis, Cairo. MCMC expects to contract with leading medical specialists for the sale of each medical floor management services, while the medical practitioners are obliged to use the radiology, laboratory and pharmacy services provided by MCMC. When it is completed in 2001, El Korba will be one of the most specialised institutions in all of the Middle East, appealing to those private patients who would normally travel outside the region for their medical needs.

MCMC plans to grow by introducing additional imaging techniques at its medical centres and through the expansion of existing facilities. The company believes there are significant growth opportunities to provide management services for speciality centres and hospitals throughout the Middle East, North and West Africa region. Several potential initiatives in neighbouring countries have already been identified.



Above Careful examination of
radiographic data following
diagnostic procedure.
Right El Minia Oncology Centre.

